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Tree Nuts

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Report Highlights:

Turkish tree nut production mostly recovered from the effects from the previous years' frosts. As a result MY 2006 hazelnut and pistachio production levels are estimated to be significantly higher than in MY 2005 while walnut production is estimated to be about the same, and almond production is estimated to be slightly lower. In MY 2006, Turkey is currently estimated to produce about 700,000 MT of hazelnuts and 100,000 MT of pistachios. Hazelnut prices went down significantly as a result of larger supply. The GOT assigned the Turkish Grain Board (TMO) to procure MY 2006 hazelnut crop, however, procurement price and date have not yet been announced. It is expected that the MY 2006 procurement price for hazelnuts will be much lower than it was a year ago.

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Executive Summary

Turkish tree nut production mostly recovered from the previous years' frosts. As a result, MY 2006 hazelnut and pistachio production levels are estimated to be significantly higher than in MY 2005, while walnut production is estimated to be about the same, and almond production is estimated to be slightly lower. In MY 2006, Turkey is currently estimated to produce about 700,000 MT of hazelnuts and 100,000 MT of pistachios. Hazelnut prices went down significantly as a result of larger supply. The GOT assigned the Turkish Grain Board (TMO) to procure MY 2006 hazelnut crop even though the procurement price and date have not yet been announced. It is expected that the MY 2006 procurement price for hazelnuts will be much lower than it was a year ago.

Weather conditions were good this year in the Black Sea Region, especially in the Eastern Black Sea Region where most of the hazelnuts are grown. As usual, early production estimates vary a great deal. Currently, estimates vary between 650,000 MT and 750,000 MT. FISKOBIRLIK, the Turkish hazelnut cooperative, estimates lower production than most private traders predict, while the Ministry of Agriculture's estimate is also on the lower side at 650,000 MT. FAS/Ankara is currently estimating the production at 700,000 MT.

In MY 2006, Turkey exported larger quantities of hazelnuts (about 460,000 MT in shell) at record high prices and earned record high revenues (around USD 1.9 billion). Turkey is expected to export larger quantities in MY 2006, as a result of larger supplies, but earn lower export revenues due to expected lower average prices. At the end of July 2006, average export prices for whole roasted kernels were around USD 5,500 per MT compared to USD 12,000 per MT a year ago. Export prices in MY 2006 are also expected to be about these levels or even slightly lower, considering the larger supplies due to larger production and carry over stocks. The number of hazelnut trees has increased in recent years, which should raise production and stock levels in the coming years. Hazelnut production capacity is currently estimated around 800,000 MT.

FISKOBIRLIK has not announced and will not announce the hazelnut procurement prices for MY 2006. In MY 2005, FISKOBIRLIK announced very high procurement prices and procured about 50,000 MT but was unable to pay growers. Hazelnut growers and Farmers Union organized mass protests against the GOT because they were not able to receive their money from FISKOBIRLIK. As a result, the FISKOBIRLIK administration called an emergency meeting on August 12, 2006 with the government and the GOT decided to assign the Turkish Grain Board (TMO) to procure hazelnuts this year (please see the Policy Section for details). This is the first time that TMO has gotten involved with a commodity other than grains and pulses. The GOT is changing its regulations to give TMO authority to procure all crops when necessary.

Pistachio production, which completely recovered from the previous years' frosts, has also benefited from the good weather during the growing season. As a result, Turkey is estimated to have a record high production in MY 2006. GUNEYDOGUBIRLIK, the Turkish pistachio cooperative, is expected to procure a small amount of pistachios this marketing year. However, no procurement price or date has been announced.

Both walnut production and consumption are increasing. Production is increasing due to good prices for high quality domestic nuts. At the same time, consumption is growing given the availability of inexpensive imported crops.

Almonds are not considered an important commercial crop in Turkey. The United States has increased its exports and is, by far, the major supplier of almonds (about 85-90 percent) to Turkey.

There is a 43.2 percent duty on the CIF value of all types of in-shell and shelled tree nut imports. The duty is 58.5 percent on processed tree nut products.

The current exchange rate is about USD 1.00 = YTL 1.50 compared to YTL 1.35 a year ago.

Hazelnuts

Production

Turkey is the world's leading hazelnut producer, accounting for about 75 percent of the world supply. Even though it has been grown in more than 30 provinces, hazelnut production is primarily concentrated along Turkey's Black Sea coast, extending about 25 kilometers inland. The region is divided into three distinct growing areas: 1) the hilly region from Ordu to Trabzon, centered around Giresun, which in a normal year produces about 55 percent of the crop, 2) the flatter, mixed farming region west of Ordu to Samsun, which produces about 15 percent of the crop, and 3) the area west of Samsun, which produces the remaining 30 percent. Hazelnuts require relatively little effort to cultivate and therefore inputs are low. Harvesting takes place during several weeks in August and September.

MY 2007 hazelnut production could reach 700,000 MT or higher as long as weather conditions remain normal for the growing and harvest seasons. Hazelnut production capacity is currently at about 800,000 MT and could even reach to 900,000 MT during the next decade if more plantings continue. It takes seven to ten years for hazelnut orchards to produce at full capacity. Of this total, Middle and Eastern Black Sea regions have a capacity of 525,000 MT and the Western Black Sea region has a capacity of 275,000 MT. MY 2006 production estimates are about 475,000 MT and 275,000 MT, respectively.

Crop development was very good in almost all parts of the growing regions in MY 2006. Hazelnut production estimates vary a lot at this time. The Ministry of Agriculture and FISKOBIRLIK estimated MY 2006 hazelnut production on the lower side, around 650,000 MT, where as most other industry representatives estimate the production to be at least at 700,000 MT or as high as 750,000 MT. It is too early to estimate the crop quality and kernel yields, which will affect the total production. FAS/Ankara is currently estimating the production at 700,000 MT.

Nut quality is determined by type, oil and moisture content, and the number of broken/shrunken kernels. Turkey produces three types of hazelnuts: Giresun, Levant, and Akcakoca. Giresun hazelnuts (round shape) are reputed to be the highest quality and have the best taste because of their higher oil content. Giresun hazelnuts are used generally in snack foods while Levant hazelnuts are sold as whole kernels or processed. As a rule, Giresun hazelnuts demand a five percent premium over Levant varieties. Akcakoca hazelnuts are processed into paste. Kernel size and moisture content are also measures of quality. Standard #1 is 13-15 mm, #2 is 11-13 mm, and #3 is 9-11 mm.

Early estimates are indicating that about half of the total crop is standard #2 size. About 30 percent is standard #1 size and the remaining 20 percent is standard #3 size. Standard #2 size hazelnuts are produced all over the Black Sea region, #1 sized hazelnuts are produced mostly in the Eastern Black Sea region and #3 mostly in the Western Black Sea region. Kernel yields, in shell to shelled conversion, are now estimated to be much lower now at around 48-50 percent in the Middle and Eastern Black Sea provinces and at around 45 percent in the Western provinces. Industry sources state that the situation will be clearer after completion of the harvest. PSD estimates MY 2006 production at 700,000 MT at this point. MY 2005 hazelnut production estimates were revised upward to 585,000 MT according to the trade data and industry sources.

FISKOBIRLIK did not announce any procurement price for MY 2006. In fact, the GOT announced that Turkish Grain Board (TMO) would procure MY 2006 crop hazelnuts. Neither price nor time for procurement has yet been announced. It is not expected that the new procurement price will be announced before September 15, 2006. Industry sources estimate that TMO will announce a procurement price around YTL 3.50 per kilogram. The same sources also indicate that if this price is announced as YTL 4 per kilogram or higher TMO will end up procuring at least 100,000 MT (in shell) of hazelnuts. If so, the expected prices will be about one half of the procurement prices announced a year ago. Current market prices, which are around YTL 2.9 per kilogram (in shell), are not indicative of procurement prices since the harvest is just starting.

PSD Table for Hazelnuts

Turkey Filberts, Inshell Basis							
	2005	Revised	2006	Estimate	2007	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		09/2005		09/2006		09/2007	MM/YYYY
Area Planted	0	0	0	0	0	0	HA
Area Harvested	0	0	0	0	0	0	HA
Bearing Trees	325000	320000	330000	330000	0	330000	1000 TREES
Non-Bearing Trees	20000	20000	20000	18000	0	18000	1000 TREES
Total Trees	345000	340000	350000	348000	0	348000	1000 TREES
Beginning Stocks	15000	15000	43000	80000	65000	200000	MT
Production	525000	585000	600000	700000	0	700000	MT
Imports	3000	0	2000	0	0	0	MT
TOTAL SUPPLY	543000	600000	645000	780000	65000	900000	MT
Exports	450000	460000	500000	500000	0	500000	MT
Domestic Consumption	50000	60000	80000	80000	0	100000	MT
Ending Stocks	43000	80000	65000	200000	0	300000	MT
TOTAL DISTRIBUTION	543000	600000	645000	780000	0	900000	MT

MY 2005 procurement prices were YTL 7.45 (or about USD 5.50) per kilogram of Giresun nut, YTL 7.05 (or about USD 5.20) per kilogram of Levant type, and YTL 6.90 (or about USD 5.10) per kilogram of Akcakoca type, in shell with fifty percent shelling rate. All of these prices were gross (before tax and manipulation cost of FISKOBIRLIK). According to the announced prices last year, producers were supposed to receive YTL 6.70 (or about USD 4.95) per kilogram for Giresun type, YTL 6.34 (or about USD 4.70) per kilogram for Levant type, and YTL 6.20 (or about USD 4.60) per kilogram for Akcakoca type. The majority of the hazelnuts produced in Turkey are Levant type (about 75 percent in a normal year). These prices were around 40 percent higher than the base price announced in MY 2004 (YTL 5.25 per kilogram, YTL 5.05 per kilogram, and YTL 4.75 per kilogram, respectively).

Aflatoxin is a major industry concern. The Aflatoxin problem for hazelnuts and other crops is primarily stemming from the limits set by the European Union, which are only 2-ppm. The

Hazelnut Promotion Group (HPG) is financing Aflatoxin research for Turkish hazelnuts. The HPG, with representatives from the Black Sea and the Istanbul Exporters Union and officials from the Foreign Trade Undersecretariat is responsible for domestic and foreign promotion as well as research and development. Exporters finance HPG activities with funds from sales. Major hazelnut exporters also set up their own laboratories to avoid the Aflatoxin problem. The Turkish government started testing all exports and providing export health certificates in 2001. Due to changes in harvesting, there were no serious problems reported since MY 2003. The Aflatoxin problem is also closely related to the production level and the quantity of lower standards. A few years from now, Aflatoxin may become a problem once again; however, Turkish traders and organizations are better prepared this time.

Hazelnut production is the single most important industry in the Black Sea region. The total number of growers is estimated at about 400,000. There is no systematic crop-survey system. Most Eastern producers grow hazelnuts on 1 or 2 Ha land and use sales to supplement other income. There are only a few large growers (10 MT or more annually). On the other hand, most Central and Western farmers have 10 to 15 hectare orchards. Hazelnut yields vary between 700 and 1,500 kilograms per hectare depending upon location and fertility of the land. Yields are lower on hillsides and higher in the valley. Yields are also dependent on the age of the trees, which tend to be older (thus with a lower yield) in the Eastern Black Sea Regions.

Consumption

Domestic hazelnut consumption, which was lower in MY 2005 due to high prices as a result of short supply, is expected to increase in MY 2006 due to higher supply. Consumption in MY 2007 is projected to increase further. Turkey consumes only 10 – 15 percent of its domestic production.

Processors and traders purchase most of the hazelnuts. The five largest processors/traders account for over 40 percent of the consumption, even though there are approximately 350 processors/traders in Turkey. Most of the industry is not vertically integrated. There are approximately 170 hazelnut crackers in Turkey with a total capacity of 1.25 MMT (in shell), while the 20 largest processors have a total capacity of 300,000 MT (in shell). Most hazelnuts are exported or processed for exports.

Hazelnuts are also a popular snack food in Turkey and the majority is consumed as whole nuts. With the devaluation of the Turkish Lira and availability of large quantities of hazelnuts, low hazelnut prices encouraged consumption in the past. As a result, domestic consumption increased to around 80,000 MT (in shell), as both snack food and for use in confectionary products a couple of years ago. FISKOBIRLIK also crushed older crops for oil, which was added to consumption. FISKOBIRLIK has not had any stocks to crush for oil since MY 2004. The current retail price for shelled roasted hazelnuts in Ankara is about YTL 18 (about USD 12) per kilogram, which was about YTL 25.00 (about USD 18.75) per kilogram a year ago. The rate of inflation for the last twelve months was around 11 percent.

Trade

Hazelnuts are one of Turkey's traditional export items. In recent years (MY 2003-MY 2005), Turkey exported lower quantities but earned more revenues due to record high prices. Turkish hazelnut export revenues, which had been much less than USD 1 million in a normal year, reached about USD 1.5 billion in MY 2004 and USD 1.9 billion in MY 2005.

Official trade data for hazelnuts for MY 2005 is not available. According to data from the Black Sea Exporters Union, Turkey exported a total of about 230,000 MT of shelled hazelnuts and received about USD 1.9 billion revenues during the first nine months (September 2005-May 2006) in MY 2005. Both of these numbers are significantly higher than they were during

the last two marketing years. During the same period, Turkey exported about 189,000 MT and received about USD 1.5 billion a year ago (MY 2004) and similarly exported about 212,000 MT and received about USD 850 million two years ago (MY 2003), according to the same source. Hazelnut export revenues were record high in MY 2004 and MY 2005, two years in a row, due to record high average export prices, which stemmed from lower supplies. Average export prices were about USD 8.3 per kilogram in MY 2005 compared to USD 7.9 per kilogram in MY 2004, and USD 4 per kilogram in MY 2003.

Turkish traders are projecting larger quantities of exports in MY 2007 due to larger supply and lower prices. For this projection, they are also taking into account that the MY 2006 production in the United States will be lower due to high temperatures. However, MY 2006 hazelnut production in Italy is projected to be good. Italy imported the largest quantity in MY 2005 because its production was small. Whole natural kernel export prices are currently around USD 5,000 per MT for standard #1 and USD 4,500 per MT for standard #2.

The European Union has always been the major market for Turkish hazelnuts. Shipping by trucks on a CIF basis has become more popular in recent years with most sales made to traders. About seventy percent of Turkey's hazelnut exports are raw kernels and the remaining are processed, including roasted, sliced, chopped, paste, meal, and flour. Very few hazelnuts are exported as finished consumer confectionary items. The trend, however, is to move from raw kernel exports to processed and finished products for added value. In addition to a shift in the export product mix, Turkey is also hoping to expand its market presence in the Far East, Former Soviet Union, and the United States. Industry representatives in Turkey closely monitor other markets, including the U.S. hazelnut and almond industries.

Export Trade Matrix for Hazelnuts

Turkey Filberts, Inshell Basis

Time Period	Sep. - July	Units:	Metric Tons
Exports for:	2005		2006
U.S.	9516	U.S.	
Others		Others	
Italy	143118		
Germany	107268		
France	38316		
Belgium	23341		
Switzerland	20048		
Netherlands	15631		
Austria	10391		
United Kingdom	9758		
Spain	9596		
Russia	9110		
Total for Others	386577		0
Others not Listed	64600		
Grand Total	460693		0

The Export Trade Matrix for hazelnuts represents unofficial data received from the Black Sea Exporters Union.

Stocks

Turkey will be carrying about 80,000 MT of stocks into MY 2006. This level is much lower than in earlier years but higher than last year's figure. Of this total, FISKOBIRLIK is estimated to have about 50,000 MT, which was procured by FISKOBIRLIK in MY 2005, and producers are estimated to have the remainder. Traders are not carrying large stocks. It is not clear at this point what FISKOBIRLIK will do with its stocks. Carryover stocks at the end of MY 2006 are estimated to be larger than last year's.

Policy

In 2005, FISKOBIRLIK, a State Economic Enterprise (SEE), was able to procure about 50,000 MT of hazelnuts since its prices were very good prices for the producers. However, FISKOBIRLIK was able to pay only part of its debts so many farmers who sold their hazelnuts to FISKOBIRLIK were never paid. FISKOBIRLIK still owes about YTL 150 million to the producers.

The new harvest season has just started and early estimates are indicating that the 2006 hazelnut crop will be good. Therefore, traders began to sell the crop for half the prices of the previous year, which were as high as USD 10 per kilogram for natural shelled whole hazelnuts. These low prices angered the producers. Currently, producers, FISKOBIRLIK, and the Farmers' Union are all very dissatisfied with government policies and in June and July of this year formed mass protests and demonstrations against the GOT.

As a result, the GOT formed a committee, which was chaired by the Prime Minister and composed of seven ministers, to find a solution to the problem. After the first meeting, the Prime Minister announced that it had assigned the Turkish Grain Board (TMO) to procure hazelnuts instead of FISKOBIRLIK. This is the first time that TMO has the authority to procure any crops other than grains and pulses. The procurement price and date has not yet been announced.

The GOT has also announced that hazelnut growers will be able to use the licensed warehousing system. Considering that the infrastructure for this is not yet available, industry sources do not believe that it will be possible to use the licensed warehousing system for hazelnuts in MY 2006.

Marketing

FISKOBIRLIK, which has 50 member cooperatives and about 246,000 member farmers and three sister companies for processing and marketing of processed products, is the most influential organization in the industry. Since the introduction of the direct income support program, sales cooperatives, like FISKOBIRLIK, are not allowed to procure commodities at a loss. Procurement is kept separate from processing and marketing to avoid losses.

Turkey concentrates its market promotion efforts mainly in the Far East, especially in Japan and China and the United States while planning to start similar promotional efforts in India and Russia. Turkey is making additional efforts to shift its export product mix to processed products as well. Most exporters are represented by an Exporters Union in Turkey and operating under the Foreign Trade Undersecretariat. Members of the exporters unions are mostly private traders and provide operating capital. There are two hazelnut exporters unions; the largest one is the Black Sea Exporters Union, which is located in Giresun, and the other one is in Istanbul.

Pistachios

Production

Pistachio production is expected to decrease slightly in MY 2007 since it has a production periodicity and the production in MY 2006 is estimated to be good.

Pistachio production fully recovered from the effects of last years' frosts and increased significantly, reaching to about 100,000 MT, in MY 2006. This production level is still expected even though weather has been very hot during the last few weeks because the fruits were filled before the high temperatures began. However, the extreme heat did cause the fruits to mature early. If the hot weather continues for a few more weeks, the quality of the crop may be adversely affected.

MY 2005 pistachio production was revised somewhat upward based on information from industry sources. In MY 2005, GUNEYDOGUBIRLIK, the sales cooperative that procures pistachios along with other crops such as red lentils and red peppers, procured a total of 800 MT of pistachios and paid YTL 5.50 per kilogram for dried soft red skin pistachios. It is also expected that GUNEYDOGUBIRLIK will procure some pistachios in MY 2006 at YTL 4 – 4.5 per kilogram of dried soft red skins. The procurement quantity will primarily depend upon the availability of the financial sources.

Pistachio production is highly cyclical and can vary a great deal in terms of location and orchard size. Pistachios are mainly produced in the Southeastern Anatolia Region and the number of plantations continues to increase in this area where pistachios are replacing olive trees in the rain-fed areas. For instance, Sanliurfa province has about twice as many trees as its neighboring province of Gaziantep, the traditional growing area. Turkish pistachios are thinner and smaller than Iranian pistachios. Siirt pistachios are similar to Iranian pistachios and their shapes are somewhere in between Gaziantep and Iranian pistachios. Siirt pistachios, about 15 percent of the total production, are bigger. In Turkey, size is directly related to quality: 90 nuts or less per 100 grams is considered first quality, 90-100 nuts are second quality, 100-120 nuts are third quality, and more than 120 nuts are fourth quality.

Consumption

Pistachios are widely used as snack food and in producing confectionary products, especially in desserts and bakery products. Most of the crop is consumed domestically and consumption varies a lot from one year to another according to availability. Currently, the retail price for first quality roasted in shell Gaziantep pistachios is about YTL 22 (or about USD 15) per kilogram and Siirt pistachios is about YTL 19 (or about USD 13) in Ankara.

PSD Table for Pistachios

Turkey Pistachios, Inshell Basis							
	2005	Revised	2006	Estimate	2007	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2005		10/2006		10/2007	MM/YYYY
Area Planted	0	0	0	0	0	0	HA
Area Harvested	0	0	0	0	0	0	HA
Bearing Trees	28000	28000	0	28000	0	29000	1000 TREES
Non-Bearing Trees	15000	18500	0	19000	0	19000	1000 TREES

Total Trees	43000	46500	0	47000	0	48000	1000 TREES
Beginning Stocks	25000	25000	40000	18000	0	55000	MT
Production	75000	50000	0	100000	0	70000	MT
Imports	0	0	0	0	0	0	MT
TOTAL SUPPLY	100000	75000	40000	118000	0	125000	MT
Exports	8000	4000	0	5000	0	6000	MT
Domestic Consumption	52000	53000	0	58000	0	59000	MT
Ending Stocks	40000	18000	0	55000	0	60000	MT
TOTAL DISTRIBUTION	100000	75000	0	118000	0	125000	MT

Trade

Turkey exports only a small proportion of its production. Primary destinations are the European Union countries and the United States. Turkey is projected to export larger quantities in both MY 2006 and MY 2007 due to larger supply. In MY 2005, the average export price for shelled pistachios was about USD 11,570 per MT, for processed pistachios was about USD 7,500 per MT, and for in shell pistachios was about USD 6,210 per MT. In MY 2004, these prices were about USD 10,900 per MT, about USD 6,900 per MT, and about USD 6,600 per MT, respectively.

Stocks

Pistachio stocks vary from one year to another depending on supply. There is a relatively small carry over stocks going into MY 2006 due to lower production. Turkey is forecast to carry larger stocks into MY 2007.

Policy

The GOT stopped direct support to pistachio farmers several years ago. GUNEYDOGUBIRLIK, a Union for Sales Cooperatives, only announces procurement prices when there is large production and depending on its financial ability. GUNEYDOGUBIRLIK procured only about 800 MT of pistachios in MY 2005. It is expected that GUNEYDOGUBIRLIK will announce a procurement price and procure some pistachios, depending upon its financial ability, in MY 2006.

There is no subsidy, tax or other restrictions on pistachio exports. In 2006, importers pay a 43.2 percent duty on the CIF value for pistachios and 58.5 percent duty on processed pistachios, both of which have not been changed from last year.

Export Trade Matrix for Pistachios

Turkey Pistachios, Inshell Basis

Time Period	Oct. Sep.	Units:	Metric Tons
Exports for:	2005		2006
U.S.	329	U.S.	
Others		Others	
Germany	669		
Israel	309		
Netherlands	141		

Italy	128		
France	95		
Northern Cyprus	76		
Belgium	61		
United Kingdom	61		
Spain	44		
Sweden	36		
Total for Others	1620		0
Others not Listed	367		
Grand Total	2316		0

Marketing

GUNEYDOGUBIRLIK, which is located in Gaziantep Province, is the only sales cooperative union for pistachios. This sales cooperative follows domestic and foreign trade issues, provides information, conducts market research, and sponsors promotional events.

Walnuts

Production

Walnut production is increasing gradually due to more orchards and better varieties. Tree numbers in MY 2005 and in MY 2006 were revised according to the unpublished data from the Turkish Statistics Corporation (TUIK), formerly known as the State Institute of Statistics (SIS). The lack of a systematic crop survey makes it difficult to accurately estimate the crop. MY 2005 crop is estimated slightly higher than it was estimated earlier according to the unpublished tree numbers and production data. PSD production data is in shell basis at a conversion factor of 1:2.5.

Walnuts grow throughout the country. Increased demand and good prices have encouraged walnut cultivation in recent years. Yalova Horticulture Research Institute, which is located in Yalova in the Marmara Region, is the leading walnut research facility in Turkey. Several private companies have begun commercial production of improved varieties, which have been developed by this Research Institute.

Consumption

Per capita walnut consumption has increased from about 1.0 kilogram to about 1.4 kilograms in recent years, because of the availability of inexpensive imported walnuts. The low exchange rate of the USD against the Turkish Lira has also contributed to larger imports. It is estimated that about half of the domestic production is used for home consumption and the remainder is marketed commercially. Walnuts are consumed both as nuts and also used in confectionary production. Retail prices of shelled walnuts vary a lot because of quality differences. A kilogram of good quality domestically grown shelled walnut is sold at YTL 30 (or about USD 20) per kilogram compared to YTL 25.00 (or about USD 18.50) per kilogram a year ago. Lower quality walnuts may be bought as low as YTL 15.00 (or about USD 10) per kilogram in retail stores in Ankara.

PSD Table for Walnuts

Turkey Walnuts, Inshell Basis							
	2005	Revised	2006	Estimate	2007	Forecast	UOM
	USDA	Post	USDA	Post	USDA	Post	

	Official [Old]	Estimate [New]	Official [Old]	Estimate [New]	Official [Old]	Estimate [New]	
Market Year Begin		09/2005		09/2006		09/2007	MM/YYYY
Area Planted	0	0	0	0	0	0	HA
Area Harvested	0	0	0	0	0	0	HA
Bearing Trees	3700	4535	0	4600	0	4700	1000 TREES
Non-Bearing Trees	1800	2245	0	2200	0	2200	1000 TREES
Total Trees	5500	6780	0	6800	0	6900	1000 TREES
Beginning Stocks	9000	20000	8500	18000	0	14500	MT
Production	72000	75000	0	75000	0	76000	MT
Imports	18000	23000	0	22000	0	24000	MT
TOTAL SUPPLY	99000	118000	8500	115000	0	114500	MT
Exports	500	500	0	500	0	500	MT
Domestic Consumption	90000	99500	0	100000	0	100000	MT
Ending Stocks	8500	18000	0	14500	0	14000	MT
TOTAL DISTRIBUTION	99000	118000	0	115000	0	114500	MT

Trade

Walnut trade is conducted primarily with neighboring countries. Imports are made primarily from neighboring and Central Asian countries and exports are primarily to Middle Eastern and European countries.

Stocks

Walnut stock data are not available. Stocks will vary a great deal due to market conditions.

Policy

Walnuts are not considered an important commercial crop and receive no government support. There are no producer associations or marketing cooperatives for walnuts in Turkey.

There is no subsidy, tax or other restrictions on walnut exports. In 2006, importers pay a 43.2 percent duty on the CIF value for walnuts and 58.5 percent duty on processed walnuts, both of which have not been changed from last year.

Export Trade Matrix for Walnuts

Turkey Walnuts, Inshell Basis

Time Period	Sep. - May	Units:	Metric Tons
Exports for:	2005		2006
U.S.		U.S.	
Others		Others	
Iraq	102		
Algeria	100		
Bulgaria	90		
Switzerland	56		

Northern Cyprus	32		
Egypt	28		
Germany	23		
Libya	13		
United Arab Em.	5		
Greece	5		
Total for Others	454		0
Others not Listed	33		
Grand Total	487		0

Import Trade Matrix for Walnuts

Turkey Walnuts, Inshell Basis

Time Period	Sep. - May	Units:	Metric Tons
Imports for:	2005		2006
U.S.	1361	U.S.	
Others		Others	
Ukraine	8038		
Romania	3365		
Uzbekistan	3064		
Moldova	2323		
Bulgaria	1549		
Kyrgyzstan	861		
Afghanistan	698		
China	541		
Iran	125		
Tajikistan	18		
Total for Others	20582		0
Others not Listed			
Grand Total	21943		0

Almonds Production

Turkish almond production is concentrated in the Aegean, Marmara, and Mediterranean Regions, although they are grown in most parts of the country. Almonds are considered a minor crop and were not cultivated as a commercial crop in Turkey until recently. Local varieties were improved through selection during the last 25 years. MY 2005 production was totally recovered from the previous year's frosts and increased to 15,000 MT, which is above the normal levels due to favorable weather conditions. PSD production estimate for MY 2006 is slightly lower due to the crop periodicity. PSD production estimates are based on shelled basis at a conversion factor of 1:3.

PSD Table for Almonds

Turkey Almonds, Shelled Basis							
	2005	Revised	2006	Estimate	2007	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		09/2005		09/2006		09/2007	MM/YYYY
Area Planted	0	0	0	0	0	0	HA
Area Harvested	0	0	0	0	0	0	HA
Bearing Trees	3450	3400	3400	3400	0	3400	1000 TREES
Non-Bearing Trees	500	550	500	500	0	500	1000 TREES
Total Trees	3950	3950	3900	3900	0	3900	1000 TREES
Beginning Stocks	1500	1500	1500	2000	1500	2000	MT
Production	13700	15000	13700	14000	0	14000	MT
Imports	2000	1500	2000	1500	0	1500	MT
TOTAL SUPPLY	17200	18000	17200	17500	1500	17500	MT
Exports	500	600	500	500	0	500	MT
Domestic Consumption	15200	15400	15200	15000	0	15000	MT
Ending Stocks	1500	2000	1500	2000	0	2000	MT
TOTAL DISTRIBUTION	17200	18000	17200	17500	0	17500	MT

Consumption

Almonds are generally consumed whole as a snack food and only limited amounts are used in confectionary products. The retail price of shelled sweet roasted almonds in Ankara is about YTL 40 (or about USD 27) per kilogram of the Datca quality and YTL 35 (or about USD 23.50) per kilogram of the imported U.S. quality. These prices were about YTL 30.00 (or about USD 22.20) per kilogram of the local Datca quality and YTL 25.00 (or about USD 18.50) per kilogram of imported U.S. quality almonds last year.

Trade

Turkey import almonds mostly (around 85-90 percent) from the United States and exports a small quantity to the EU and Middle Eastern countries.

Stocks

Data on almond stocks are not available. Stocks vary a great deal due to market conditions.

Export Trade Matrix for Almonds

	Turkey	
	Almonds, Shelled Basis	
Time Period	<input type="text" value="Sep. – May"/>	Units: <input type="text" value="Metric Tons"/>
Exports for:	<input type="text" value="2005"/>	<input type="text" value="2006"/>
U.S.	<input type="text"/>	<input type="text"/>
Others	<input type="text"/>	<input type="text"/>

Spain	121		
Greece	95		
Germany	89		
Italy	67		
Iraq	54		
Tunisia	51		
Libya	35		
Iran	20		
Russia	8		
Romania	2		

Total for Others	542	0
Others not Listed	37	
Grand Total	579	0

Import Trade Matrix for Almonds

Turkey Almonds, Shelled Basis

Time Period	Sep. - May	Units:	Metric Tons
Imports for:	2005		2006
U.S.	987	U.S.	
Others		Others	
Germany	163		
Total for Others	163		0
Others not Listed			
Grand Total	1150		0

Policy

Almonds are not considered an important commercial crop and receive no government support. There are no producer associations or marketing cooperatives.

There is no subsidy, tax or other restrictions on almond exports. In 2006, importers pay a 43.2 percent duty on the CIF value for almonds and 58.5 percent duty on processed almonds, both of which have not been changed from last year.